

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
File No. 15-CV-13397

STATE OF NORTH CAROLINA, *ex rel.* 11:07
ROY COOPER, Attorney General,

Plaintiff, 09

v.

NORTH CAROLINA MEDICAL
INSTITUTE; and SHERITA ANTIONETTE
MCQUEEN, individually and in her capacity
as owner and president of NORTH
CAROLINA MEDICAL INSTITUTE.

Defendants.

**JUDGMENT AND
PERMANENT INJUNCTION**

THIS MATTER coming on to be heard before the undersigned Judge presiding over the October 23, 2017, civil session of Wake County Superior Court pursuant to the State's Motion to Enforce Mediated Settlement Agreement; and Assistant Attorney General Matt Liles appearing on behalf of plaintiff State of North Carolina and Eric Edwards, *esq.* of the Heidgard Law Office, LLP appearing for defendants; and the State and defense counsel having represented to the Court that the terms and conditions of this Judgment and Permanent Injunction set forth below reflect the negotiated compromise embodied in the Mediated Settlement Agreement; and the Court finding and concluding, based upon its examination of the record in this cause, the representations of counsel, that entry of this Judgment and Permanent Injunction is in the public interest and represents an appropriate resolution to this litigation; and the Court finding further that:

I. BRIEF HISTORY OF THE CASE

1. Plaintiff, by and through its duly elected Attorney General, brought this action against defendants on October 6, 2015, alleging, *inter alia*, that defendants violated the Unfair and

Deceptive Trade Practices Act, N.C. Gen. Stat. § 75-1.1, *et seq.*, by unlawfully operating a proprietary school without a license, as mandated by N.C. Gen. Stat. § 115D-90, *et seq.* and placing unqualified people on the North Carolina Nursing Aide II Registry.

2. This Court entered a Temporary Restraining Order (TRO) against defendants on October 8, 2015, which prohibited defendants from, *inter alia*, conducting proprietary school business activities and accessing related business accounts in North Carolina. The TRO was extended four times on October 16th, October 26th, November 2nd, and November 9th while the State attempted service on defendants. Preliminary Injunctions were issued against corporate defendant North Carolina Medical Institute and defendant Sherita McQueen on November 9th and November 18th, respectively.

3. On December 2, 2015, defendant McQueen appeared through counsel and the parties began to engage in settlement discussions. During those discussions, defendant McQueen provided a sworn financial statement to the State, as well as supporting tax returns, that tend to show that she has few appreciable assets.

4. On August 3, 2016, the parties participated in a mediated settlement conference which resulted in the agreement memorialized in the Mediated Settlement Agreement.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

After reviewing the facts in this case, the Court independently makes the foregoing findings of fact and conclusions of law.

5. The Court hereby concludes that it has both personal jurisdiction over each of the defendants, as well as subject matter jurisdiction in this cause, and that resolving this cause through the terms and conditions set forth below would be just and appropriate.

6. The Court hereby concludes, that the parties have voluntarily entered into a

Mediated Settlement Agreement that resolves this matter and that doing so is in the public interest.

III. PERMANENT INJUNCTION

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED, that pursuant to N.C. Gen. Stat. § 75-14, that each of the defendants, together with their corporate officers, employees, agents, representatives, successors and assigns, as well as any other party or parties acting in concert therewith, be and hereby are permanently enjoined from the following activities **WHILE UNLICENSED** with the North Carolina State Board of Proprietary Schools (SBPS):

7. Advertising, offering, or entering into contracts for educational or instructive products or services in North Carolina;
8. Soliciting or accepting deposits or payments from consumers for educational or instructive products or services in North Carolina;
9. Collecting any further payment, directly or indirectly, from consumers for educational or instructive products or services in North Carolina; and
10. Transferring, concealing, or encumbering any assets of defendants pending further order of the Court.

IV. CANCELLATION OF CONTRACTS AND RESTITUTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that pursuant to N.C. Gen. Stat. § 75-15.1, the Court:

11. Cancels all contracts executed by defendants, their agents, employees, and corporate successors or assigns, and any persons acting in concert with them, in North Carolina in violation of N.C. Gen. Stat. § 75-1.1; and
12. The Court awards the Plaintiff and enters a civil judgment against the defendants, jointly and severally, in a total restitution amount of \$29,077 (twenty-nine thousand seventy-seven

dollars and no cents) as detailed for each consumer in “Restitution” section of the Mediated Settlement Agreement.

V. ASSESSMENT OF CIVIL PENALTIES AND SUSPENSION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that pursuant to N.C. Gen. Stat. § 75-8 and § 75-15.2, the Court:

13. Orders defendants to pay the plaintiff a civil penalty of five thousand dollars (\$5,000) for each of the ninety-nine (99) separate consumers listed in the the Mediated Settlement Agreement, in a total amount of four hundred and ninety-five thousand dollars (\$495,000). The Court hereby orders that this Civil Penalty is suspended subject to the provisions below.

14. The suspension of the judgment will be lifted as to any defendant if, upon the plaintiff’s motion, the Court finds that any defendant has violated this Judgment and Permanent Injunction in any material way.

15. The Court acknowledges that the plaintiff’s agreement to the suspension of the civil penalty portion of this judgment is expressly premised upon the truthfulness, accuracy, and completeness of defendants’ sworn financial statements and related documents (collectively, “financial representations”) submitted to the State.

16. The suspension of the judgment will be lifted as to any defendant if, upon the plaintiff’s motion, the Court finds that defendant failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in the financial representations identified above.

17. If the suspension of the judgment is lifted, the Civil Penalty judgment becomes immediately due and collectable as to that defendant in the amount specified in this Section (which for purposes of this Section represents the amount of the civil penalty for the violations alleged in

the Complaint).

VI. MISCELLANEOUS

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that:

18. This Court retains jurisdiction in this cause in order to ensure defendants' compliance with the foregoing provisions and to entertain any appropriate motions for the modification thereof;

19. The plaintiff retains the right to move to compel compliance with, or punish violations of, this Judgment and Permanent Injunction as outlined herein;

20. Nothing in this Judgment and Permanent Injunction shall be construed to prohibit the plaintiff from investigating future complaints received against defendants and taking all appropriate action thereupon;

21. This Judgment and Permanent Injunction in no way precludes the plaintiff from bringing other claims for relief against defendants;

22. Defendants shall cooperate in good faith with the terms of this Judgment and Permanent Injunction;

23. Defendants shall cooperate in good faith with the State in responding to requests for information by the State, including any request by the State for administrative, operational, and financial information;


24. Defendants shall cooperate in good faith to resolve any outstanding and/or future customer complaints filed with the Attorney General's Consumer Protection Division;

25. Defendants shall not apply to the SBPS for a license to operate a proprietary school in North Carolina until they have made full payment of restitution pursuant to Section IV above. Once defendants have made full payment of restitution pursuant to Section IV above,

nothing in this Judgment and Permanent Injunction shall be construed to prohibit defendants from seeking a new license with the SBPS to operate as a proprietary school in North Carolina; and

26. The State's counsel of record in this case shall be notified in writing at least thirty (30) days following application by defendants for a new license with the SBPS to operate as a proprietary school in North Carolina.

IT IS SO ORDERED, this the 23 day of October 2017.



Honorable R. Allen Baddour, Jr.
SUPERIOR COURT JUDGE

STATE OF NORTH CAROLINA

Wake County

File No.

15 CVS 013397

In The General Court Of Justice
Superior Court Division

Name Of Plaintiff(s)

State of North Carolina, ex rel.
Roy Cooper, AG

MEDIATED SETTLEMENT AGREEMENT MSC PROGRAM

MSC Rule 4.C

VERSUS

Name Of Defendant(s)

North Carolina Medical Institute and
Sherita Antonette McQueen, indiv,
and in her capacity as owner and
President of N.C. Medical Institute

The parties hereto stipulate and agree that at the Mediated Settlement Conference held on the 3rd day of August, 2016, at Raleigh, North Carolina, a full and final agreement of all issues was reached. The terms of this agreement are:

☐ Defendant shall pay Plaintiff the total sum of \$ _____ within _____ days from the date of this Agreement. Plaintiff shall ☐ execute such releases as required by Defendant, in a form acceptable to Defendant, or ☐ execute a release substantially similar to the one attached to this agreement; and shall file a Voluntary Dismissal ☐ With ☐ Without Prejudice upon receipt and disbursement of said proceeds.

☐ Plaintiff shall pay Defendant the total sum of \$ _____ within _____ days from the date of this Agreement. Defendant ☐ shall execute such releases as required by Plaintiff, in a form acceptable to Plaintiff, or ☐ execute a release substantially similar to the one attached to this agreement; and shall file a Voluntary Dismissal ☐ With ☐ Without Prejudice upon receipt and disbursement of said settlement proceeds.

☒ This matter has been settled by consent. A Consent Judgment/Order shall be prepared by the attorney for the ☒ Plaintiff ☐ Defendant.

☒ Other Terms: See Exhibit A attached hereto for terms
agreed upon terms to be incorporated into the
Consent Judgment.

(Over)

☒ Except as otherwise provided, each of the parties hereto shall bear his/her/their own attorney fees, costs, and pro rata share of the costs of this Mediated Settlement Conference.

This form is not recommended for use in a mediated settlement conference in which there is a pro se litigant. The mediation summary is recommended (AOC-DRC-18) for use in cases in which there is a pro se litigant.

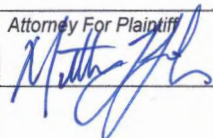

Plaintiff	Defendant <input checked="" type="checkbox"/>
Plaintiff	Defendant Individually and as owner + agent of North Carolina Medical Institute.
Plaintiff	Defendant
Attorney For Plaintiff 	Attorney For Defendant 
Assistant Attorney General, Consumer Protection North Carolina Department of Justice	

Exhibit A to Mediated Settlement Agreement

State v. Sherita McQueen, et al., 15-CVS-013397

1. \$29,077 in consumer restitution (“Restitution”) (See the attached spreadsheet)
2. \$495,000 in civil penalties that are suspended so long as Ms. McQueen is in compliance with the Consent Judgment (this is equal to 99 x \$5000, the maximum per-violation penalty allowed under NCGS 75-15.2); and
3. An agreement by Ms. McQueen to not offer any medical training or any other unlicensed educational class (including CPR) in the state of North Carolina unless she first makes full restitution in the amount set out in Paragraph 1 above.
4. This agreement is contingent upon approval of the final Consent Judgment by the Attorney General and the Court.

Restitution - State v. McQueen, 15-CVS013397

Last	First	Amt Paid
Aiken	Heather	\$525.00
Alford	Kerendal	\$260.00
Armstrong	Renata	\$150.00
Ashford	Tashanna	\$260.00
Atkins	Tisha	\$180.00
Baldwin	Marcy	\$260.00
Barr	Barbara	\$260.00
Barrier	Ashley	\$325.00
Battle	Jessica	\$650.00
Beasley	Michelle	\$250.00
Becraft	Jennifer	\$260.00
Best	Carlotta	\$260.00
Blue	Amy	\$260.00
Brewington	Shakisha	\$260.00
Brown	Chimera	\$525.00
Bryant	Ciara	\$180.00
Burney	Sheila	\$260.00
Butler	Kiwani	\$900.00
Campbell	Niguisha	\$180.00
Collins	Ryan	
Cornwell-Mar	Pamela	\$260.00
Covington	Desiree	\$260.00
Crawford	Amber	\$260.00
Davis	Vickie	\$260.00
Davis	Jelesia	\$325.00
Davis	Viviane	\$325.00
Dawkins	Shaneshia	\$400.00
Debose	Laquita	\$260.00
Enoch	Sherrie	\$260.00
Evans	Keita	\$260.00
Farrior	Angela	\$260.00
Felder	Amy	\$260.00
Fennell	Andre	\$260.00
Floyd	Bridgett	\$500.00
Ford	Miranda	\$260.00
Foster	Taheiya	\$260.00
Fowler	Tiffany	\$325.00
Frazier	Monica	\$260.00
Gibson	Mary	\$260.00
Glover	Marydia	\$800.00
Graham	Alpha	\$260.00
Hargett	Jalessia	\$160.00

Restitution - State v. McQueen, 15-CVS013397

Harper	Rose	\$300.00
Harris	Jasmine	\$325.00
Harris-Farrell	Alisha	\$260.00
Hedrick	Michelle	\$650.00
Hewett	Summer	\$260.00
Hicks	Shakeila	\$525.00
Hills	Cheryl	\$260.00
Hollingsworth	Yovonda	\$260.00
Holmberg	Michele	\$365.00
Irvin	Destiny	\$525.00
Johnson	Shantell	\$325.00
Jones	Yashica	\$260.00
Jordan	Danielle	\$260.00
Kegler	Towanda	\$260.00
LaCroix	Michael	\$260.00
Lambe	Tonya	\$400.00
Leak	Annette	\$260.00
Locklear	Angel	\$180.00
Lynch	April	\$260.00
Maitland	Natali	\$260.00
McDaniel	Shamone	\$125.00
McDonald	Tabitha	\$260.00
McKoy	Vanecia	\$260.00
McNeil	Kimberly	\$260.00
McNeil	Shamessia	\$260.00
McNeill	Kimberly	dupe?
McQueen	Sherita	
McRae	Janisha	\$260.00
Mendelsohn	Edith	\$260.00
Miranda-Carta	Diorimar	\$325.00
Mitchell	Lorna	\$260.00
Moore	Diamond	\$180.00
Moyer	Sherla	\$325.00
Murray	Shamika	\$292.00
Norman	Luann	\$250.00
Pone	Sandra	\$260.00
Pridgen	Towanda	\$260.00
Purcell	Le'terria	\$260.00
Scott	Connie	\$260.00
Sharpe	Vickie	\$650.00
Sheriff	Comfort	\$350.00
Smith	Nichole	\$250.00
Solorzano	Llesenia	\$260.00
Spencer	Ashley	\$325.00

Restitution - State v. McQueen, 15-CVS013397

Sweet	Verlene	\$350.00
Sweet	Regina	\$250.00
Turner	Tamara	\$260.00
Ward	Jamie	\$260.00
Whitmore	Alexandra	\$260.00
Whitted-McEa	Makayla	\$260.00
Williams	Teessence	\$260.00
Williams	Tina	\$260.00
Williams	Annie	\$180.00
Williams	Lula	\$220.00
Wilson	Kayla	\$245.00
Wilson	Delories	\$125.00
Wortee	Comfort	\$260.00
Wright	Angela	\$300.00

\$29,077.00